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INSURANCE COMMISSIONER
LEGAL AFFAIRS DIVISION

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of

**AMERICAN FIDELITY ASSURANCE
COMPANY,**

An Authorized Insurer.

No. D 2005 - 377

CONSENT ORDER

Comes now the Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.01.020 and RCW 48.05.130-185, and having reviewed the official records and files of the Office of the Insurance Commissioner, makes the following:

FINDINGS OF FACT

1. American Fidelity Assurance Company is an insurer holding a certificate of authority to transact insurance in the State of Washington, and is therefore governed by Title 48 RCW.
2. RCW 48.05.130-185 provides a process for addressing insurer violations of Title 48 Revised Code of Washington and Title 284 Washington Administrative Code.
3. RCW 48.05.250 requires each insurer, before the first day of March, to file a true statement of its financial condition, transactions, and affairs as of the thirty-first day of December preceding.
4. Chapter 284-07 WAC sets forth the form and requirements for filing financial statements for the year ended the immediately preceding December thirty-first.
5. American Fidelity Assurance Company failed to file with its annual financial statement for the year ended December 31, 2004 before March 1, 2005.
6. Attached Exhibit A is incorporated herein for the purpose of identifying the date of American Fidelity Assurance Company's annual statement filing.

Based upon the foregoing Findings of Fact, the Commissioner makes the following:

CONCLUSIONS OF LAW

1. American Fidelity Assurance Company by and through the conduct described above has violated RCW 48.05.250 and Chapter 284-07 WAC by failing to timely file in proper form its annual statement as of December 31, 2004.
2. RCW 48.05.185 authorizes the Insurance Commissioner to impose a fine in lieu of the suspension or revocation of a certificate of authority.
3. American Fidelity Assurance Company committed the following violation of Washington law:

American Fidelity Assurance Company failed to timely file its annual financial statement for the year ended December 31, 2004 in the form required by Chapter 284-07 WAC.

CONSENT TO ORDER

American Fidelity Assurance Company consents to entry of this Order, waives further administrative or judicial proceedings in this matter, and acknowledges its duty to comply fully with the applicable laws of the State of Washington. The Insurance Commissioner has offered a settlement in lieu of suspending or revoking the certificate of authority.

By agreement of the parties, the Insurance Commissioner will impose a fine of \$2600 on condition that:

1. Within thirty days, American Fidelity Assurance Company pays to the Insurance Commissioner the full amount of the fine;
2. American Fidelity Assurance Company commits no further violations of the statutes and regulations that are the subject of this Consent Order;
3. American Fidelity Assurance Company voluntarily consents to this order to resolve the issues and conduct described herein and with the understanding that the payment of the amount due is a condition to avoiding suspension or revocation of the Certificate of Authority.

EXECUTED this 26th day of September, 2005.

Cheryl K. Jutts

Signature

Vice Pres- Controller

Title

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. American Fidelity Assurance Company is ordered to pay a fine in the amount of \$2600 upon the condition that The Company fully complies with the laws and regulations of the State of Washington which are the subject of this Order; and
2. Upon failure to pay the fine within the time limit set forth above, the sum will be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington, pursuant to RCW 48.05.185.

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ENTERED TUMWATER, WASHINGTON this 24th day of October, 2005.

MIKE KREIDLER
Insurance Commissioner

By: 

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division